Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

Author: Christina Hambleton, LSC Fellow Reviewer: Julie A. Rishel, Division Chief Volume 134 Issue 49 August 11, 2022

Unemployment Benefit Eligibility and Amount

Unemployment eligibility and benefit amounts are tied to a claimant's work history, wages, and reasons for unemployment. A claimant may receive unemployment benefits for 20 to 26 weeks in one benefit year. If a claimant is eligible, the claimant must file a new claim for benefits each week and document two employment-seeking activities. A claimant's benefits equal one-half of the claimant's average weekly wage up to a statutory maximum determined by the number of the claimant's dependents.

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Unemployment benefit administration

Unemployment benefits temporarily substitute part of an eligible person's lost income while that person transitions to new work. Ohio employers fund benefits by paying contributions to Ohio's Unemployment Compensation Fund (most private sector employers) or reimbursing that fund (public sector and certain nonprofit employers). A claimant is eligible for benefits proportionally to how much the claimant worked and earned in covered employment. The Director of Job and Family Services, who leads the Ohio Department of Job and Family Services (ODJFS), determines claimant eligibility and administers benefits.¹

¹ R.C. 4141.09 and 4141.13 and <u>UI Tax for New Employers</u>, which is available on the ODJFS website: <u>jfs.ohio.gov</u>.

Eligibility

To be eligible for unemployment benefits, a claimant must be "unemployed." A claimant may be totally unemployed, partially unemployed, or have reduced hours under an approved shared work plan. Total unemployment means that a claimant performs no work for an employer and receives no income. Partial unemployment means a claimant earns less than the claimant would have received in unemployment benefits for that week. Under an approved shared work plan, a claimant receives benefits based on the percentage that the claimant's hours are reduced, between 10% and 60%.²

A claimant applies to ODJFS to receive benefits. Determining eligibility is a two-phase process. In the first phase, a claimant files an initial application for a determination of benefit rights, which generally examines whether the claimant worked and earned enough to be eligible for benefits ("monetary eligibility"). This application is used to establish the claimant's benefit year, which is the 52-week period during which the claimant may file claims. After filing a valid initial application and establishing a benefit year, the claimant enters the second phase of the process. In the second phase, the claimant must file a claim for benefits each week the claimant seeks benefits during the benefit year. The initial weekly claim is referred to as a "first claim." If the claimant is reemployed during a benefit year, but then separates from reemployment before the benefit year ends, the first claim the claimant files after the separation is referred to as an "additional claim."

At the second phase, the ODJFS Director determines nonmonetary eligibility. The claimant must: (1) have become unemployed for a nondisqualifying reason, and (2) be able to work and seeking suitable work. Additionally, the claimant must be a U.S. citizen or legal immigrant.³

Example 1: Joe began work as a software engineer with an average weekly wage of \$1,300 on July 1, 2021. On April 14, 2022, Joe's employer downsized and laid him off. That same day, Joe applied for unemployment. The Director first determines whether Joe has a valid determination of benefit rights to establish his benefit year. Next, the Director will evaluate the reason Joe lost his job and whether Joe is completing weekly work search activities (the claim for benefits). However, the Director will not evaluate Joe's claim for benefits unless the Director first approves Joe's application for a determination of benefit rights.

Monetary eligibility – work history and earnings

To be eligible for benefits, a claimant must have worked enough and earned enough during the claimant's "base period." Typically, the base period is the first four of the last five completed calendar quarters before a claimant applies for benefits. If a claimant does not have sufficient weeks or wages during the base period, however, the Director uses the claimant's "alternate base period." This is the *last* four of the five calendar quarters before applying.⁴

² R.C. 4141.01(M) and (N) and 4141.53.

³ R.C. 4141.01 and 4141.29.

⁴ R.C. 4141.01(Q).

During the base period, a claimant must have worked in employment covered by the Unemployment Compensation Law and received compensation for 20 weeks. For those 20 weeks, the claimant's average weekly wage must have been at least 27.5% of the statewide average weekly wage (SAWW) for that year (\$298 in 2022). These weeks are referred to as "qualifying weeks." ⁵

Example 2: Joe applies for benefits on April 14, 2022. Joe worked 38 weeks from July 1, 2021, to April 14, 2022. Joe's base period is January 1, 2021, through December 31, 2021 (the first four of the five completed calendar quarters before Joe applies). Joe worked 24 weeks from July to December, 2021. Those 24 weeks are his qualifying weeks because his average weekly wage was \$1,300 (more than 27.5% of the SAWW, or \$298). Thus, Joe is monetarily eligible to establish a benefit year and file claims.

Nonmonetary eligibility

After a claimant receives a determination of eligibility establishing a benefit year, the next step is determining nonmonetary eligibility. When evaluating the first claim for benefits, the Director determines whether the reason the previous employment ended disqualifies the claimant from benefits. For that claim and all subsequent claims, the claimant must be able to work, available for suitable work, and actively seeking suitable work to be eligible.

No loss of employment for a disqualifying reason

A claimant is disqualified from receiving unemployment benefits for any week in which the Director finds:

- The unemployment is due to a labor dispute other than a lockout, unless an exception applies; or
- The claimant has been given a disciplinary layoff for misconduct in connection with the claimant's work.

A claimant is disqualified from receiving unemployment benefits for the duration of the claimant's unemployment if the Director finds that, unless an exception applies:

- The claimant quit work without just cause or has been discharged for just cause in connection with the claimant's work;
- The claimant has refused without good cause to accept an offer of suitable work;
- The claimant quit work to marry or because of marital, parental, filial, or other domestic obligations;
- The claimant became unemployed by reason of commitment to any correctional institution; or

⁵ R.C. 4141.01(O) and (R)(1) and <u>How Ohio's Unemployment Insurance Benefits are Calculated (PDF)</u>, which is available on the ODJFS website: jfs.ohio.gov.

The claimant became unemployed because of dishonesty in connection with any base period work.⁶

The Director makes the initial determination. The Director conducts mandatory eligibility checks by requiring a claimant's most recent separating employer to submit the claimant's employment history and consulting the national new hire directory or other databases.⁷ Applicants and employers can appeal the Director's determination to the Unemployment Compensation Review Commission (the appellate body of the unemployment compensation system) and then to courts of common pleas.⁸

With respect to quitting without just cause and being discharged for just cause, the determination is made on a case-by-case basis by asking a claimant's employer how the claimant became unemployed and reviewing information in the claimant's application. The law does not define "just cause." The Commission and courts evaluate whether an "ordinarily intelligent person" would consider the cause a "justifiable reason for doing or not doing a particular act."

Quitting without just cause

Generally, a claimant does not have just cause to quit unless the claimant pursues all other available options before quitting, including requesting accommodations from an employer or issuing a complaint to a regulatory agency. A claimant may have just cause to quit if the claimant quits due to a medical condition, sexual harassment, or breach of an employment contract (such as through reduced hours or benefits).¹¹ Under Ohio law, a claimant is not considered to have quit without just cause if the claimant:

- Left for military service;
- Separated from employment pursuant to a labor-management contract or agreement, or pursuant to an established employer policy, that permits the claimant, because of lack of work, to accept a separation from employment;
- Separated to accept a recall from a prior employer or with respect to concurrent employment that had substantially less favorable conditions to the prior employment;
- Has been issued a definite layoff date, and before the layoff date, quits to accept other employment; or

⁷ R.C. 4141.01, 4141.28, and 4141.286.

¹⁰ Peyton v. Sun T.V. and Appliances, 44 Ohio App.2d 10, 12 (10th Dist. 1975) and <u>UC Law Abstract Chapter 8: Separations from Employment</u>, which is available on the Ohio Unemployment Compensation Review Commission (UCRC) website: <u>web.ucrc.state.oh.us</u>.

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⁶ R.C. 4141.29(D).

⁸ R.C. 4141.281 and 4141.282.

⁹ R.C. 4141.28(B) and (D).

¹¹ <u>UC Law Abstract Chapter 8: Separations from Employment</u>, which is available on the UCRC website: web.ucrc.state.oh.us.

Is a relocated military spouse and specified conditions apply.¹²

Discharge with just cause

In general, a claimant is considered to have been discharged for just cause if the claimant engaged in behavior that harms an employer's interests. It is not enough for a claimant to have technically violated a rule; the actions must "demonstrate an unreasonable disregard for an employer's best interest." Some examples of disqualifying reasons for discharge include unexcused absences, failure to perform required work, insubordination, substance use that impacts job performance, loss of licensure, competition with an employer, or fighting. However, if a claimant's discharge violates the employer's established progressive discipline policy, the employer does not have just cause for discharge unless the claimant committed serious misconduct. However, if a claimant committed serious misconduct.

Suitable work

A claimant cannot refuse an offer for suitable work. A claimant must be ready and willing to accept work that the claimant can reasonably perform in light of prior training, experience, and education. Similar to just cause, "suitable work" is not specifically defined in the law. However, work is not "suitable" if the compensation, hours, travel, or other conditions are substantially less favorable to the claimant than those prevailing for similar work in the locality, the position is vacant due to a labor dispute, or the work is an unreasonable distance from the claimant's residence. The Director also must consider that claimant's fitness, health, training, or experience. "Work" also is not suitable if it requires someone to join a company union or resign from a labor organization.¹⁵

Work search requirements

As noted above, a claimant must be able to work, available for suitable work, and actively seeking suitable work to be eligible. Thus, a claimant must complete several activities to become and remain eligible for unemployment benefits, including:

- Registering for work and reporting weekly to ODJFS.
- Being available for and seeking suitable work, which includes:
 - □ Documenting two work search activities in each weekly benefits claim;
 - □ Registering with the OhioMeansJobs website; and

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¹² R.C. 4141.29(D).

¹³ Tzangas, Plakas & Mannos v. Admr., 73 Ohio St.3d 694 (1995) and Janovsky v. Ohio Bur. Of Emp. Serv., 108 Ohio App.3d 690 (2nd Dist. 1996). See also, <u>UC Law Abstract Chapter 8: Separations from Employment</u>, which is available on the UCRC website: web.ucrc.state.oh.us.

¹⁴ Sambunjak v. Ohio Bur. of Emp. Servs. Bd. of Rev., 14 Ohio App.3d 432 (8th Dist. 1984).

¹⁵ R.C. 4141.29(E) and (F) and page 21, <u>Worker's Guide to Unemployment Insurance (PDF)</u>, which is available by conducting a keyword "worker's guide" search on the state of Ohio website: ohio.gov.

□ Participating in other reemployment programs as required by ODJFS.¹⁶

Exceptions to the work search requirements take two forms. First, ODJFS may waive the requirements if a claimant is laid off and will return to work with the same employer within a certain period (26 weeks if the layoff was due to plant closure, or 45 days for other reasons).

ODJFS also may approve one of three substitutes for the work requirements: attending an approved training course, schooling, or maintaining good standing with a labor organization that proves the claimant is eligible for a job referral.¹⁷

Example 3: Because Joe lost his job through his employer's financial decision to lay off workers, he lost his job for a nondisqualifying reason. Joe then must demonstrate that he is available for and seeking suitable work by completing required work search activities. If he does, he will receive unemployment benefits after serving a one-week waiting period. To continue receiving benefits, Joe must file a claim weekly and show that he is completing the work search requirements. If Joe fails to complete two work search activities for one week, he does not qualify for benefits that week, but he may file subsequent claims. However, if Joe refuses a job offer from a nearby software company because it pays slightly less than his former employer, he may not qualify for benefits for any week after he refuses until he has been reemployed and becomes unemployed again.

Duration of benefits

A claimant is entitled to at least 20 weeks of benefits equaling the 20 qualifying weeks the claimant must work during a base period to be eligible for unemployment. A claimant may receive an additional week of benefits for each additional qualifying week worked during the base period, up to a maximum of 26 weeks.¹⁸

A claimant may cease claiming unemployment benefits before exhausting them.

Benefit amounts

After a claimant is determined to be eligible, the claimant must serve a waiting week before actually receiving benefits. A claimant serves only one waiting week in a benefit year.¹⁹

A claimant's weekly unemployment benefit equals 50% of the claimant's average weekly wage during the base period, up to a statutory maximum (set as a percentage of the SAWW, adjusted annually). The minimum benefit for 2022 is \$149.²⁰ The maximum benefit varies with the number of dependents that the claimant has, as illustrated in the following table.

¹⁹ R.C. 4141.29(B) and (C).

¹⁶ R.C. 4141.29(A) and <u>Unemployment Claimants</u>, which is available on ODJFS's OhioMeansJobs website: <u>ohiomeansjobs.ohio.gov</u>.

¹⁷ R.C. 4141.29(A)(4) and (7).

¹⁸ R.C. 4141.30(D).

²⁰ Ohio Unemployment Insurance Benefits Chart – 2022 (PDF), which is available through page 3 of How Ohio's Unemployment Benefits are Calculated (PDF) on the ODJFS website: jfs.ohio.gov.

Dependency Class	Maximum Weekly Benefit in 2022
A (no dependents)	\$530
B (1-2 dependents)	\$642
C (3 or more dependents)	\$715

A claimant may claim natural children, stepchildren, and adopted children under 18 years old or unable to work due to a permanent mental or physical disability. A claimant also may claim the claimant's spouse. To claim a dependent, a claimant must have paid more than 50% of the dependent's support in the 90 days prior. In addition, a claimant may claim a spouse only if the spouse is legally married to the claimant, they live together, and the spouse's income is less than 25% of the claimant's average weekly wage. Each dependent can only be claimed by one claimant.²¹

Example 4: Joe's average weekly wage is \$1,300 and 50% of his average weekly wage is \$650. If Joe has no dependents, his weekly benefit amount is \$530, because 50% of his average weekly wage (\$650) exceeds the cap for Class A. If he has one or two dependents, his weekly benefit amount is \$642, because 50% of his average weekly wage also exceeds that cap. However, if he has three or more dependents, his weekly benefit amount is \$650, because 50% of his average weekly wage is less than the maximum amount payable for Class C (\$715). Because Joe had 24 qualifying weeks in his base period, he may receive up to 24 weeks of benefits in his benefit year.

In 2021, the average benefit for claimants in all dependency classes was approximately \$381.73 per week.²²

Deductions from benefits

Unemployment benefits are reduced to pay child support obligations. They also may be reduced to reflect certain workers' compensation payments and any payments that an employer makes to the claimant after the claimant becomes unemployed. Subject to exemptions for military service-related payments, deducted payments may include payments in lieu of notice, separation or termination pay, and vacation pay. Deductions also may include the value of "cost savings days" (unpaid days off during which a person received an employee benefit such as a pension, vacation or sick time, and life or health insurance). However, a claimant's benefits may not be reduced on account of a claimant's Social Security retirement benefits if the claimant contributed to Social Security as required under the Social Security Act.²³

22 R.C. 4141.30

²¹ R.C. 4141.30.

²² Monthly Program and Finance Data, which is available on the U.S. Department of Labor Employment and Training Administration website: <u>oui.doleta.gov</u>.

²³ R.C. 4141.01(DD), 4141.284, 4141.31, and 4141.312.